

Central Intelligence Agency



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The Honorable Jack Brooks
Chairman
Committee on Government Operations
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This responds to your request for actions taken or planned by the Central Intelligence Agency regarding your Committee's report on the first year implementation of the Federal Managers' Financial Integrity Act (the Act).

Senior Agency officials have long recognized that the nature of the Agency's mission and the special trust implicit in the grant of unique authorities requires the establishment of strong internal accounting and administrative control systems. Since the Act became law in September of 1982, the Agency has reinforced those systems with the issuance of an "Internal Accounting and Administrative Control Directive." This Directive implements the provisions of the Act and complies with Government Accounting Office standards and Office of Management and Budget guidelines. At this time, the Agency has effected the seven step process for evaluating and reporting on internal control systems. We have evaluated the Agency Accounting System and can affirm that Comptroller General principles, standards, and related requirements for accounting systems have been and will continue to be used as the guidelines against which the system has been developed and is being maintained.

The Committee Report states that a management deficiency should be a material weakness for reporting under the Act if it could impair fulfillment of an agency's mission, deprive the public of needed government services, violate statutory or regulatory requirements, or result in conflict of interest. I agree with that concept. My 1983 report to the President and the Chairmen of the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence did not identify any material weakness. There were none to report. My certification to this effect was based upon the results of an ongoing evaluation, review, and reporting process which enabled me to conclude that the Agency had achieved the optimum accountability possible, within the bounds of practicality, over its total operations.

The Central Intelligence Agency is fully dedicated to the prevention of fraud, waste, and abuse. Our efforts to that end will continue unabated and the status of our internal control and accounting systems will be reported annually to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

SUBJECT: Reply to Letter from Congressman Jack Brooks
Federal Managers' Financial Integrity Act

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